

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**



AIR FORCE INSTRUCTION 65-603

1 NOVEMBER 1997

AIR FORCE RESERVE COMMAND

Supplement 1

7 August 1998

Financial Management

**OFFICIAL REPRESENTATION
FUNDS-GUIDANCE AND PROCEDURES**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

NOTICE: This publication is available digitally on the AFRC LAN InfoBase and Subordinate unit InfoBases. If you lack access, go to the HQ AFRC WWW site at: <http://www.wrbfs01.afrc.af.mil/scsi>.

OPR: 11 WG/FM
(Ms Dona Baillargeon)
Supersedes AFI 65-603, 29 June 1994 and AFI
65-603/AFRES Sup, 22 March 1996

Certified by: 11 WG/FM
(Mr George V. Cava)
Pages: 13
Distribution: F

This instruction implements AFPD 65-2, *Financial Management, Internal Management Controls*, and governs the use of official representation funds (ORF) to all activities issued ORFs. It carries out DoDD 7250.13, *Official Representation Funds (ORF)*, 23 February 1989, and any changes to it. Major commands (MAJCOM), Direct Reporting Units (DRU), and field operating agencies (FOA) may supplement this instruction to furnish detailed guidance for base-level operations and provide for periodic self-inspections. Do not issue supplements without prior approval by the 11th Wing (11 WG). Send comments and suggested improvements on AF Form 847, **Recommendation for Change of Publication**, through channels, to 11 WG/FM, 1430 Air Force Pentagon, Washington DC 20330-1430.

This supplement implements and extends the guidance of Air Force Instructions (AFI) 65-603, 1 November 1997. The AFI is published word-for-word without editorial review. Air Force Reserve Command supplementary material is indicated by "(AFRC)" in boldface type. This supplement describes Air Force Reserve procedures to be used in conjunction with the basic instruction. Upon receipt of this integrated supplement discard the Air Force basic.

SUMMARY OF REVISIONS

This revision aligns with DoDD 7250.13, increasing the limit for mementos to \$245 (paragraph 4.), and clarifies information required by report on AF Form 134, **Report of Contingency Expenditures**. A | indicates revisions from the previous edition.

(AFRC) This revision incorporates the procedures formerly in AFI 65-603/AFRES Supplement 1, 22 Mar 96, and aligns our supplement with current instructions within AFI 65-603.

1. Instructions for Using ORFs. The Air Force uses these funds to uphold the standing and prestige of the United States by extending official courtesies to certain officials and dignitaries of the United States and foreign countries. The Secretary of the Air Force may authorize the use of representation funds for any purpose considered appropriate according to the DoD policies. Unless specifically authorized by the Secretary or designee, commanders may spend ORFs only for official entertainment or other official purposes authorized in this instruction. The Command OPR will:

1.1. Keep records on a function-by-function basis to furnish data on how and why these funds are used.

1.2. Conduct entertainment on a modest basis that complies with socially acceptable mores of American society and jointly serves policy objectives of the United States and the interest of the taxpayer. Invite only the number of guests necessary to extend proper courtesy to the guests of honor. When honoring guests from outside the DoD, observe the following ratios of DoD personnel (including spouses or escorts) to non-DoD guests:

1.2.1. Parties of less than 30 persons--not more than 80 percent should be DoD personnel.

1.2.2. Parties of 30 or more persons--not more than 50 percent should be DoD personnel.

1.3. In determining the above ratios, foreign military personnel assigned to the host activity are counted as DoD personnel. Deviations of more than 5 percent from the maximum number of DoD participants paid from ORFs need advance approval from the Office of the Secretary of the Air Force.

2. Authorized Categories of Entertainment:

- Community Relations. Entertainment needed to maintain domestic and foreign civic or community relations.
- International Relations. Entertainment in honor of a visiting distinguished foreign national.
- Public Relations. Entertainment for a visiting distinguished American citizen, as specified in paragraph 3.2.
- DoD Protocol. Entertainment incidental to a visit by DoD personnel, as specified in paragraph 3.3.
- Other Expenditures. Mementos, food, and refreshment purchases for inventory and expenses not covered in above categories.

3. Who May Be Entertained:

3.1. Distinguished foreign or US citizens whose rank, position, function, or stature warrant extension of official courtesies by the US Government.

3.2. US Federal, state, county, and local officials, such as the President and the Vice President of the United States; members of the Cabinet; members and professional staff personnel of the Congress; other US Government officials comparable to DoD officials listed in paragraph 3.3.; governors of states; mayors of cities; citizens' committees; and other distinguished or prominent citizens who have made a substantial contribution to the Nation or DoD, including the local community and members of the news media on certain occasions.

3.3. Commanders may entertain the following members of the DoD at Air Force installations. They must limit costs to what is minimally needed to extend official courtesies to the member while on official visits to the field:

- Secretary of Defense and Deputy Secretary of Defense
- Under Secretaries of Defense
- Director, Defense Research and Engineering
- Assistant Secretaries of Defense
- General Counsel of the Department of Defense
- Inspector General of the Department of Defense
- Director, Operational Test and Evaluation
- Assistants to the Secretary of Defense
- Chairman and Vice Chairman of the Joint Chiefs of Staff
- Director, Joint Staff
- Unified Commanders
- Deputy Commander-in-Chief, Europe
- Secretaries, Under Secretaries, Assistant Secretaries and General Counsels of the Military Departments
- Chiefs and Vice Chiefs of Staff of the Army and Air Force
- Chief and Vice Chief of Naval Operations
- Commandant and Assistant Commandant of the Marine Corps
- Directors of the Defense Agencies
- President, Uniformed Services University of the Health Sciences

3.4. ORF costs of an event honoring authorized individuals may include members of the official party and other essential invitees. Do not authorize separate events to honor spouses of visiting officials unless related to the official purpose of the visit.

3.5. (Added-AFRC) Official Representation Funds (ORFs) cannot be used to pay for hosting Reserve unit participants and, or their spouses. They will use personal funds to participate in official functions. ORFs can be used for authorized civilians, as well as visiting/authorized DOD guests, and visiting foreign nationals. Excluding host reserve participants, the ratios for civilian and visiting/authorized DOD and foreign guests must be observed in paragraph 1.2.1. and paragraph 1.2.2.

4. Authorized Purchase of Mementos. Designated hosts may present mementos to dignitaries and officials listed in paragraph 3., excluding all US Government employees and military members. Other officials may present gifts only in extenuating circumstances if specifically authorized in writing by the commander, or his designee, who administers ORFs. The aggregate cost of gifts or mementos purchased or presented by a DoD official to an authorized recipient must not exceed \$245.

4.1. (Added-AFRC) A memento may be presented to the senior guest as a remembrance of an official function. Examples include, but are not limited to plaques, aircraft models, and paintings. Request to purchase these mementos individually for the official function.

4.2. (Added-AFRC) A memento may be presented to each authorized guest as a remembrance of an official function. Examples include, but are not limited to, a unit coin, a unit cap, or a photo of the

group participating in the official function (employer day, orientation flight, etc.) Request to purchase these mementos for the official function.

5. Expenditures Not Authorized:

5.1. Costs for retirement and change-of-command ceremonies for DoD personnel, unless specifically approved in advance by the Secretary of the Air Force.

5.1.1. Normally HQ USAF only considers requests for events associated with unified and major command change-of-command ceremonies for approval. It limits appropriated support to the pro rata costs of authorized non-DoD attendees.

5.1.2. Requests must include itemized estimated costs and the proposed list of distinguished guests with their titles whose costs are to be paid from appropriated funds. Headquarters US Air Force (HQ USAF) should receive the request at least 10 working days before issuance of invitations. Do not issue invitations prior to notification of approval.

5.2. Payment for membership fees or dues.

5.3. Expenses, other than authorized official entertainment, connected with conferences, conventions, seminars, or working groups, except when specifically approved in advance by the Secretary of the Air Force.

5.4. Expenses normally considered personal obligations.

5.5. Expenditures for seasonal greetings and calling cards.

5.6. Expenses for classified projects for intelligence purposes.

5.7. Expenses eligible to be financed from other appropriated or nonappropriated funds. However, pro rata costs of non-DoD authorized guests' participation in morale, welfare, recreation, and service activities may be paid from ORFs, unless otherwise prohibited here.

5.8. (Added-AFRC) Expenses for food, beverages, and lodging associated with civic leader tours.

5.9. (Added-AFRC) Ethnic and holiday observances (See AFI 65-601, volume 1).

5.10. (Added-AFRC) Hosting Reserve unit participants and, or their spouses.

6. Personnel Authorized To Be Hosts. The Secretary of the Air Force, Chief of Staff, HQ USAF, and subordinate commanders who administer an approved official representation program may extend courtesies. These officials may delegate their authority on a case-by-case basis. Only the Secretary or the Chief of Staff of the Air Force may extend invitations for foreign dignitaries to visit the United States at the expense of the Department of the Air Force.

7. Fund Authorization. Official budget authorizations issued through comptroller channels convey secretarial authority to use ORFs.

7.1. After Financial Management and Comptroller has certified funds availability, the commander or designee must approve funds request for propriety. Do not delegate approval authority below senior officials in the applicable command element.

7.2. Requests must justify and itemize proposed expenditures, identify the category of entertainment, include proposed guest list with position or title of invitees, indicate guest ratios of DoD to non-DoD

personnel where applicable, and date of event. Provide a revised guest list of actual attendance as part of the accounting documentation.

7.3. The Defense Accounting Office uses the approved requests to obligate funds pending disbursement action.

7.4. (Added-AFRC) (HQ AFRC Only) When expenditures are expected, according to DFAS-DER 7000-4, HQ AFRC/FMAPH submits documentation to WR-ALC/FMFABA to establish a miscellaneous obligation reimbursement document (MORD). Documentation is to be in letter form requesting obligation be established and contain essentially the same information shown in Attachment 1, Same Request for ORFs. HQ AFRC/PA, with HQ AFRC/FM coordination authorizes, in writing, the expenditures for functions conducted by subordinate units.

8. Maintaining Inventories. Control and inventory all purchases of refreshments or mementos for stock using detailed procedures to ensure that:

8.1. There is a perpetual inventory with a clear audit trail of items purchased and later issued from the inventory by name and title of recipient. You may identify mementos presented that cost less than \$20 each to events or generic categories of recipients.

8.2. An annual physical inventory is made by impartial personnel who reconcile the beginning inventory, purchases, and items presented, to the inventory on hand. Report findings to the designated funds approval official and file report with inventory records for audit purposes. **NOTE:** The ORF approval authority appoints the inventory custodians and alternates in writing and ensures they are briefed on their responsibilities for controlling the inventory and related ORF policies.

8.3. (Added-AFRC) Gifts and mementos purchased with ORFs for an official function in bulk must have internal controls to properly and accurately account for inventory. The unit commander appoints an inventory custodian and alternate by letter that must be forwarded to HQ AFRC/PAB. In addition, an impartial person (not a representative of PA, FM, or IG), appointed by the commander, must conduct an annual physical inventory of gifts and mementos. A copy of the inventory log, signed by the impartial auditor, must be forwarded to HQ AFRC/PAC by COB 30 Sep each fiscal year. The inventory log must include the name and title of the memento recipient, date and location of presentation, and who made the presentation. The inventory must be secured.

9. Responsibility for Administering Funds:

9.1. The Secretary of the Air Force is the final approval authority for all contingency fund expenditures. The Secretary delegates overall management authority to the Administrative Assistant to the Secretary, who ensures the Air Force Audit Agency conducts audits.

9.2. All DoD personnel authorized to expend ORFs must personally monitor the use of such funds to ensure the highest order of propriety and integrity of all expenditures.

9.3. (Added-AFRC) HQ AFRC/PA, with HQ AFRC/FM coordination, approves the use of ORFs, acts as an advisor, and makes recommendations to AFRC/CV/CS concerning allocation of ORF. Units must have written authorization from HQ AFRC/PA/FM prior to the expenditure of funds for an authorized event. When an AFRC unit considers it beneficial to co-sponsor a community relations function with another activity of the Air Force or other military service, the policy established in the basic instruction concerning use of ORF applies.

9.4. (Added-AFRC) (HQ AFRC only) HQ AFRC/PA, with HQ AFRC/FM coordination, establishes and approves the AFRC annual program for ORF. Funds are apportioned for functions hosted by AFRC/CC or CV. The CS is the office of primary responsibility for approval of official entertainment functions. Submit DD Form 577, **Signature Card**, to WR-ALC/FMFABA, through HQ AFRC/FMAPH, according to DFAS-DE 7010-R. This card is kept on file in the financial services office (FSO) and designates the certifying official, correctness of statements, facts, accounts, and amounts appearing on a voucher or other documents, when certified. HQ AFRC/FM apportions funds for functions hosted by HQ USAF/RE and HQ ARPC.

9.5. (Added-AFRC) The unit hosting the function:

9.5.1. (AFRC) Submits complete requests for funds and requests for payment. See [Attachment 1 \(Added\)](#) and [Attachment 2 \(Added\)](#), Sample Request for ORF and Sample Request for Payment, respectively.

9.5.2. (AFRC) Submit requests for payment within 10 working days after the official function.

9.5.3. (AFRC) Obtains and submits original invoices/receipts with name, address, and description of item, date of purchase, quantity, cost per item, and total cost. If there are multiple receipts, make request for payment to commander or PAO for reimbursement. If one provider or service is used, that is, Officers' Club, you may request payment to the one service/provider.

9.6. (Added-AFRC) Ensure all instructions are followed. If not, commanders are held personally responsible for any costs associated with the official function, without being reimbursed.

10. Special Requirements. Use of ORFs for purposes not authorized in this regulation must receive prior approval from the Office of the Secretary of the Air Force. Requests must justify the requirement, itemize costs, and identify the guests of honor. Send requests to the Office of the Chief of Staff, HQ USAF, through 11 WG/FM, a minimum of 30 workdays in advance of committing Air Force funds.

11. Reporting Required. The following quarterly reports are required by 10 U.S.C. 140 and DoDD 7250.13 for MAJCOMs, FOAs, and DRUs authorized PEC 91515F, *Miscellaneous Current Expense Funds*:

11. (AFRC) (HQ AFRC only) HQ AFRC/FMF prepares and submits quarterly reports.

11.1. Quarterly Report of Emergency and Extraordinary Expenses (RCS: DD-COMP(Q)1390): Report of cumulative accrued expenditures unpaid and accrued expenditures paid in PEC 91515F will be extracted by Defense Finance and Accounting Service-Denver Center (DFAS-DE). DFAS-DE/ADR will report for each operating agency code by fiscal year, for current year, and the five previous years. Report will be submitted to 11 WG/FM, using mutually agreed method, not later than 20 calendar days after the close of the quarter. Negative reports are required.

11.2. Report of Contingency Expenditures (RCS: SAF-FM(Q)7113). This report carries emergency status code C-2; continue reporting during emergency conditions, precedence normal. Submit data requirements in this category as prescribed, or as soon as possible after submission of priority reports. When **MINIMIZE** conditions are in effect, send report priority mail.

11.2.1. Use AF Form 134, **Report of Contingency Expenditures**. If the report consists of more than one page, the Commander's signature is required only on the first page. A computer-generated product is acceptable provided prescribed format is followed.

11.2.2. To prepare report, in column B organize functions by categories of entertainment (paragraph 2.) and subtotal each category. Include primary guest or group honored by position, type of function (luncheon, dinner, reception, etc.), and date held. Columns A, E, F, and G are self-explanatory; however, you must explain expenditures in column F in detail on the reverse side or on an addendum. In column C, enter total number of DoD military and civilian personnel (including spouses or escorts); in column D, enter total number of all persons including DoD personnel shown in column C whose expenses were paid from ORF.

11.2.3. On AF Form 134, enter RCS: SAF-FM(Q)7113 in the block "Report Control Symbol" in the upper right-hand corner:

11.2.3.1. Block 1--Total Accrued Expenditures Paid (Disbursements) This Reporting Period. Enter total of the amounts shown under column G. Include only those items representing disbursements during the current reporting period in this total.

11.2.3.2. Block 2--Total Accrued Expenditures Paid To Date (Disbursements). Enter the cumulative disbursements to date. This amount must agree with disbursements reflected on the final Operating Budget and Allotment Ledgers (the position reported in the Status of Funds Data Base Transmission) for the same month that the AF Form 134 shows as the ending month of the reporting period.

11.2.3.3. Block 3--Total Accrued Expenditures Unpaid and Undelivered Orders Outstanding. Enter the cumulative, to date, accrued expenditures unpaid and undelivered orders outstanding.

11.2.3.4. Block 4--Total Obligations. Enter the cumulative obligations, to date, (block 2 plus block 3). This amount must agree with the cumulative obligations reflected on the final Operating Budget and Allotment Ledgers (the position reported in the **Status of Funds Data Base Transmission** for the same month that the AF Form 134 shows as the ending month of the reporting period.

11.2.4. Send quarterly reports as of 31 December, 31 March, 30 June, and 30 September not later than 30 workdays after the end of the reporting period to 11 WG/FM, 1430 Air Force Pentagon, Washington DC 20330-1430.

11.2.5. Continue reporting until all obligations for a fiscal year have been liquidated. Block 2 and block 4 should be identical on final report.

11.2.6. The commander or vice commander must sign report unless sending a negative report.

12. Form Prescribed. AF Form 134, Report of Contingency Expenditures.

ROBERT F. HALE
Assistant Secretary of the Air Force
Financial Management and Comptroller

ATTACHMENT 1 (ADDED-AFRC)

SAMPLE REQUEST FOR ORFS

(Date)

MEMORANDUM FOR HQ AFRC/PAC

ATTENTION: MS. NAULT

FROM: 349 AW/CC

520 Waldron Street

Travis AFB CA 95652-1154

SUBJECT: Request for Official Representation Funds

1. Request Official Representation Funds in the amount of \$250 be approved to purchase food items **(must give a category of expenditure)** for an Employer Appreciation Day Luncheon on 19 Sep 98. The following information is provided in accordance with AFI 65-603 and AFRC Supplement thereto.

2. DATE OF FUNCTION: 18 Sep 98

3. LOCATION: Officers' Open Mess **(Must have complete address)**

135 Waldron Street

Travis AFB CA 94535-2123

4. PURPOSE AND TYPE OF FUNCTION: Employer Appreciation Day Luncheon

5. PROPOSED INVITATION/GUEST LIST: (See attached)

a. Visiting DOD/Foreign National Guests: 4

b. Non-DOD Guests: 50

c. Hosting Unit: 20 **All 349 AW attendees will use personal funds to pay for their lunch. (Must have the above statement)**

d. Total Invited Guests: 74

e. Guest of Honor: Mr. Joe West, Vice President of XYZ, Fairfield, CA

f. Host: Brig Gen John Doe, 349 AW/CC

6. ESTIMATED COST: \$250

7. My POC is Mr. Jim Smith, 349 AW/PA, at DSN 837-3936.

//signed// **(Must be signed by the commander)**

JOHN DOE, Brig Gen, USAFR

Commander

PROPOSED GUEST LIST

Event: Employer Appreciation Day Luncheon -- 18 Sep 98

VISITING DOD/FOREIGN NATIONAL GUESTS

Total: 4 **The following guests qualify for ORFs expenditures.**

1. Maj Gen Robert A. McIntosh (1)
AFRC/CC, Pentagon, Washington DC
2. Air Commodore William Johnson (1)
Controller of Reserve Forces, United Kingdom
3. Col and Mrs. James Jones (2)
15 AF/ADO, Travis AFB CA (active-duty DOD guest)

NON-DOD

Total: 22 **The following guests qualify for ORFs expenditures.**

1. Mr. Joe West (1)
Vice President, XYZ
Fairfield CA

2. Mr. and Mrs. Keith Smith (2)
CEO, ABC Inc.
Fairfield CA
3. Mr. Wayne Black (1)
Distribution Manager, The Fudge Co.
Vacaville CA

DOD

Total: 46 (All 349 AW attendees will use personal funds to pay for their lunch.)

1. Brig Gen John Doe (1)
349 AW/CC
2. Mr Jim Smith (1)
TSgt 349 AW/PA
3. Tom Hill (1)
Loadmaster, 708 AS (349 AW is parent wing)

ATTACHMENT 2 (ADDED-AFRC)

SAMPLE REQUEST FOR PAYMENT

(Date)

MEMORANDUM FOR HQ AFRC/PAC

ATTENTION: MS. NAULT

FROM: 349 AW/CC

520 Waldron Street

Travis AFB CA 95652-1154

SUBJECT: Request for Payment of Official Representation Funds

1. Request Official Representation Funds be paid for the Employer Appreciation Day Luncheon indicated below. The following information is provided in accordance with AFI 65-603 and AFRC Supplement thereto:

CERTIFICATION OF EXPENDITURES FOR AUTHORIZED OFFICIAL FUNCTIONS

I certify that the itemized costs properly chargeable to Operation and Maintenance Official Representation Funds, applicable to the official function described below, were necessary in the interests of the United States and the United States Air Force.

2. DATE OF FUNCTION: 18 Sep 98

3. LOCATION: Officers' Open Mess **(Must have complete address)**

1135 Waldron Street

Travis AFB CA 94535-2123

4. PURPOSE AND TYPE OF FUNCTION: Employer Appreciation Day Luncheon

5. ATTENDEE GUEST LISTS: See Attached

- a. Visiting DOD/Foreign National Attendees: 4
 - b. Non-DOD Attendees: 22
 - c. DOD Attendees: 20 (**349 AW attendees used personal funds for their lunch.**)
 - d. Total Attendees: 46
 - e. Guest of Honor: Mr. Joe West, Vice President, XYZ, Fairfield CA
6. PAYEE: Make check for \$210 payable to: Mr. Jim Smith
- 349 AW/PA (**Must have complete address.**)
- 520 Waldron Street
- Travis AFB CA 94535-2123

(Payee is Commander, Public Affairs Officer, or a single place of business (e.g., Officers' Open Mess, 135 Waldron St., Travis AFB CA 94535-2123) Do NOT request checks be made out to multiple payees. If more than one individual or organization provided a product or service, request one check be made out to either the commander or public affairs officer, who will make payment to the others. In all cases, the payee's complete mailing address must be provided.)

7. COSTS: (State clearly specific costs)

(\$7 X 4 = \$28) for Visiting DOD/Foreign National Attendees

(\$7 X 22 = \$154) for Non-DOD Attendees

(\$7 X 4 = \$28) for Forget-Me-Not-Florist (table decorations)

Subtotal: \$210 using ORFs

(\$7 X 20 = \$140) for DOD. 349 AW attendees paid for their
lunch IAW with Policy Change,
dated 26 Sep 94

Total: \$350

8. My POC is Mr. Jim Smith, 349 AW/PA, at DSN 837-3936.

//signed// **(Must be signed by the Commander)**

JOHN DOE, Brig Gen, USAFR

Commander

Attachments:

1. Original Invoices/Receipts

2. Attendee Lists

(Separate Lists for Visiting DOD/Foreign National, Non-DOD, and Unit DOD Attendees)

(SUBMIT GUEST LIST OF ACTUAL ATTENDEES USING SAME FORMAT AS PROPOSED GUEST LIST)